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Division:**

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Consumer & Employee Affairs

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Denise Sims, Director
741-3025

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Finance and Administration Commissioner Dave Goetz gives an overview of the budget to the Finance, Ways & Means Committee. Budget Hearings began this week and run through early March.

Agriculture

Matt Barnes

Full Committee

The **Agriculture Committee** met Tuesday, February 3, with one bill on calendar. **HB 2593** (Clem), which reduces the certificate fee from \$200 to \$100 for nurseries that are less than one acre in size and have less than \$30,000 in annual gross sales, was rolled for one week.

The committee then heard from Darrell Alishire, Tennessee Livestock Producers, on current issues facing the livestock market

in Tennessee. Regarding the federal efforts toward a national ID program for cattle, Mr. Alishire questioned the likelihood and capability of compliance by Tennessee producers, especially the smaller producers. He wondered whether they would simply sell their cattle or attempt to comply. Whatever the case, Mr. Alishire said the program will have a high economic impact, and he suspects the federal government might mandate without properly funding the program. Besides the impact on producers, he said the state would also feel the effects simply in maintaining the database and monitoring the program.

Regarding mad cow and its aftereffects, Mr. Alishire stated a big problem is the landfills'

refusing to bury cattle because of the potential for future liability. As a result, producers could fear coming forward, which Mr. Alishire said would be truly unfortunate because of the great strides made in the past toward prevention of such behavior.

Mr. Alishire also answered questions about what constitutes Angus beef and how that differs from certified Angus beef. He said Angus is a commercial term that refers to cattle that are 60 percent black hair and meet certain quality standards that affect taste. He qualified certified Angus beef as the primal cuts such as steaks and roasts, while Angus beef that is not certified is the farmland beef of a lower grade but still higher than non-Angus beef. Mr. Alishire agreed with Rep. McDaniel in his assessment that certified Angus beef in a hamburger is a huge waste.

To close the meeting, Rep. Shaw recognized the Alpha Kappa Alpha ladies in the audience for their "Day on the Hill." The sorority hails as America's first Greek-letter organization established by black college women. It began in 1908 at Howard University in Washington, D.C.

Agriculture Subcommittee

At the full committee meeting on Tuesday, February 3, Chairman Davidson announced the appointment



Agriculture Committee Chairman Davidson

of the *with Vice Chair Bone and Secretary Shaw*
Agriculture Subcommittee. The subcommittee will be made up of Chairman Davidson and Reps. Bowers, McDaniel, Litz, and Baird. The subcommittee will meet at the call of the chair.

Children & Family Affairs

Shannon Romain

The **Children and Family Affairs** full and subcommittees were cancelled this week. There were no bills on the calendar in the full committee. In the subcommittees, **HB2432** (Rep. Yokley) was taken off

notice and **HB 1002** (Rep. Clem) was deferred one week.

Commerce

Matt Barnes

Full Committee

With no bills on calendar, the **Commerce Committee** met on Tuesday, February 3, to discuss the availability and cost of insurance coverage. Chairman Hargrove opened the meeting by honoring Rep. John Bragg, calling him a "giant among men and women" and praising his work as chairman of House Finance. Chairman Hargrove also recognized Rep. Bragg's efforts on behalf of Middle Tennessee State University.

Rep. McKee introduced Rob Ikard, Tennessee State Director for the National Federation of Independent Business (NFIB). Mr. Ikard said his organization is made up of 10,000 small business members in Tennessee who typically have six employees. For the past three years, the NFIB has surveyed its members on potential issues and legislation. When a popular position has emerged, the NFIB has made that position its stance. Mr. Ikard cited the high cost of health insurance as the most critical issue for his members, workers' compensation claiming the second spot. He also claimed mandated benefits affect only the small market, stressing to the committee that the effects of mandates on the cost of health insurance need to be considered carefully when addressing such legislation.

Tonya Jones, president of Mark IV Enterprises, a Tennessee commercial construction company and NFIB member, claimed health insurance is her company's biggest issue. Ms. Jones has been the sole owner of Mark IV for 19 years. Her company has 10 employees, the average age of which is 54. In 1985, Mark IV's health insurance cost \$71 per employee per month for two employees. However, last October the company's professional employee organization (PEO) disenfranchised it due to the high costs of workers' compensation for construction companies. Mark IV has been on COBRA ever since at the rate of \$292 per employee per month while the company shops for insurance.

Ms. Jones claimed the lowest premium she has been able to find would cost \$700 per employee per month in after-tax dollars. She said she desperately wants to remain an

entrepreneur and not close her business but that she cannot afford such costs. Like Mr. Ikard, Ms. Jones expressed concern over mandates, suggesting the Legislature review the effects of mandates if the necessary data can be compiled. She compared Cadillacs to Chevrolets, stating the former is what small businesses are forced to purchase because of mandates even though they only need the latter. She suggested it is better to insure many with a basic policy rather than a few with a premium policy.

Mandy Young, representing Aetna, Cigna and United HealthCare, said affordability is the problem, not accessibility. She said Tennessee is 49th or 50th in almost every health care category and that mandates contribute to the high costs. She proposed putting the consumer back into health care, forcing them to make lifestyle choices. This, she contends, will lower health care costs because all the factors will be working together. Specifically, Ms. Young suggested the consumer could be responsible for the first \$5,000 of treatment, catastrophic policies covering the overage.

Small Business Subcommittee

The **Small Business Subcommittee** held its first meeting of the 2004 session on Wednesday, February 4, with one bill on calendar. **HB 2597** (Curtiss) requires surveyors to search the land records on the land to be surveyed, as well as the adjoining land, and compare such records to the actual field survey, noting any inconsistencies to ensure the boundaries are true. At the request of the sponsor, the bill was rolled one week.

The **Utilities and Banking Subcommittee** was cancelled due to Rep. Bragg's funeral, and the **Industrial Impact Subcommittee** was not scheduled to meet.

Conservation & Environment

Greg E. Adkins

The full **Environment Committee** and the **Wildlife Subcommittee** were cancelled due to former Rep. John Bragg's Funeral in Murfreesboro, Tennessee. The **Environment** and the **Parks and Tourism Subcommittees** had no bills on notice and did not meet.

Consumer & Employee Affairs

Shannon Romain

The **Consumer and Employee Affairs** full and subcommittees were cancelled this week. **HB1941** (Rep. Newton) on the full committee calendar was deferred one week.

There were no bills on the calendar in the **Consumer Affairs Subcommittee**, and the Tuesday afternoon meeting of the **Employee Affairs Subcommittee** was cancelled. **HB0015** and **HB0017**, both by Rep. M. Turner, were deferred one week.

Education

Pam Mason

There was no legislation to be considered in the Full **Committee**. Presentations were made during the meeting time.

Jerry Winters, Tennessee Education Association, introduced Mary Ann Blankenship. Ms. Blankenship serves as the Assistant Executive Director of TEA, and spoke on concerns TEA has about the No Child Left Behind program. Copies of her presentation may be requested from Chairman Winningham's office.

Next item was the introduction of Commissioner Lana Seivers. The Commissioner addressed the Committee briefly, pointing out that the state had a reduction of 81 percent in the return of federal dollars from last year, keeping more money in the state. She then introduced Keith Brewer, Deputy Commissioner. His remarks were on the NCLB program also. He provided information on where Tennessee stands presently with the requirements of the federal program and various efforts being made to make the program fairer to the students and teachers of Tennessee.

The Committee learned that approximately \$10 million is spent annually for testing in our schools. In the area of Special Education, Federal dollars provide only 19 percent of the funding. When original legislation was passed creating more requirements in this area, there was to be an increase in funding each year. This has not occurred. Under recent legislation, the Federal government has cut \$330 million in vocational/technical funds.

Several topics were scheduled to be presented by the Department at this meeting. Time restraints prevented those reports. It is hoped to reschedule in the future these hearings.

K-12 Subcommittee

There were 3 bills on the calendar for the subcommittee meeting. The following actions were taken.

Referred to Full Committee:

HB 2162 - (McDaniel) provides for LEAs to include in student handbooks and other information to parents how to contact child advocacy groups and the State Department of Education.

Deferred two weeks
HB 2270

Off Notice
HB 2428

Higher Ed Subcommittee

There were no bills scheduled for consideration at this week's meeting. At the Request of Chairman Brown, Representative Hagood gave a presentation on the Select Oversight Committee on Education.

Finance, Ways & Means

Denise Sims

The **Finance Committee** cancelled its Tuesday meeting so that members could attend funeral services for former Representative John Bragg.



The committee resumed its schedule on Wednesday with the first day of Budget Hearings. Finance Commissioner Dave Goetz gave an overview of the administration's \$23.8 billion budget, and answered questions from committee members on such matters as the real estate transfer tax, revenue

Commissioner Goetz growth, the pension fund, TennCare and other budget issues. Comptroller John Morgan presented his office's budget, followed by presentations from Personnel Commissioner Randy Camp and General Services Commissioner Gwendolyn Davis.

Budget Subcommittee

The **Budget Subcommittee** met on Wednesday and sent one bill to the full committee. **House Bill 1479** (Rep. Fitzhugh) authorizes the Wildlife Resources Commission to promulgate rules and regulations regarding fees for permits and/or licenses. It would tie increases to the Consumer Price Index. The bill picked up two amendments in Environment and Conservation last week.

The remaining five bills on the committee's calendar were rolled two weeks. They were **HB 2169** (Rep. M. Turner), extending the time active military personnel have for payment of property and certain other taxes; **HB 2522** (Rep. M. Turner), exempting from sales and use taxes vehicles purchased by reservists on active duty; **HB 2172** (Rep. M. Turner), requiring prompt reporting of change in ownership of tax exempt property; **HB 2176** (Rep. M. Turner), enacting the "Tennessee Motion Picture Incentive Act," and **HB 2763** (Rep. Fitzhugh), making changes in collateral pool legislation.

***In Depth Summaries of Budget Hearings
Will Be Included In The Research Review
Beginning Next Week***

Government Operations

Kristina Ryan

The **Government Operations Committee** met on Tuesday, February 3, 2004 with thirteen bills on the calendar. House Bill 2507 by Representative Clem was rolled for one week. House Bills 2434 and 2794, both by Representative Ferguson, were rolled for two weeks.

Chairman Kernell welcomed a new member to the committee, Representative Beverly Marrero, who replaced former Representative Carol Chumney on the committee.

Committee members referred **HB 32** (M. Turner) to the Commerce Committee. This bill would create the "Microenterprise Development Act." This Act would require the Commissioner of Economic and Community Development to establish a grant program for qualified non-profit organizations that provide financial training and technical assistance to low-income businesses with five employees or less. Under most circumstances, these businesses would have difficulty securing loans, equity or other bank funding. An amendment was adopted on the bill that would refer this bill to a study committee.

HB 2462 (Kernell) was referred to Calendar & Rules. It allows the Interstate Library Compact to sunset. The amendment makes the bill.

Sunset Extensions

The following sunset extensions were referred to Calendar & Rules:

HB 2499 (Kernell) Board for Professional Counselors, Marital and Family Therapists, and Clinical and Pastoral Therapists - 2008

HB 2444 (Kernell) Board of Alcohol and Drug Abuse Counselors - 2008

HB 2493 (Kernell) Compact for Education - 2010

HB 2483 (Kernell) Controlled Substance Database Advisory Committee - 2010

HB 2492 (Kernell) Great Smoky Mountains Park Commission - 2010

HB 2494 (Kernell) Industrial Development Division, Building Finance Committee - 2006

HB 2486 (Kernell) Tennessee Board for Economic Growth - 2006

HB 2491 (Kernell) Watkins Institute Commission - 2010

Health & Human Resources

Judy Narramore

*(Last week)
Health
Committee
members
received a
first hand
view of the
new
Children's
Hospital at
Vanderbilt.
Normal
committee*



activity resumed this week.

Full Committee

The **Health & Human Resources Committee** met at noon on Tuesday, February 3. Margaret Rose, Senior Legislative Research Analyst with the Comptroller's Office, continued her presentation from the January 20 meeting concerning the Comptroller Report on *Serving the Aging and Disabled: Progress and Issues*.

Mental Health Subcommittee

There were no bills on notice and the subcommittee did not meet.

Professional Occupations Subcommittee

The **Professional Occupations Subcommittee** met Wednesday morning at 8:30 (new time) to consider three bills. **HB 2232** by Rep. Bowers concerning qualifications for surgical technologists was referred to full committee. As amended, this bill establishes standards for employment of surgical technologists, effective July 1, 2006. There is a provision in the bill that allows the Director of Health Care Facilities to grant a temporary waiver to facilities unable to employ a sufficient number of qualified persons. Rep. J. DeBerry took **HB 0294** concerning dental hygienists off notice. Rep. McCord rolled **HB 1906** concerning DNR bracelets and necklaces two weeks.

Public Health & Family Assistance Subcommittee

This subcommittee meeting was cancelled after the one bill on calendar (**HB 2524** by Rep. Hawk) was taken off notice.

Health Care Facilities Subcommittee

On Wednesday afternoon, February 4, the **Health Care Facilities Subcommittee** heard testimony from Brian McGuire, representing AARP, and Alan Farley, representing the TN Fire Coalition. Both speakers addressed fire safety issues in long term care facilities.

Chairman Overbey announced that all the fire safety related bills would be grouped and considered at a future meeting, rather than piecemeal over several meetings. The three fire safety bills on today's calendar, **HB 2198** by Rep. Sontany and **HBs 2215 and 2216** by Rep. M. Turner, were rolled two weeks. Rep. Turner spoke briefly about HB 2215 and submitted an amendment for review by the subcommittee.

Judiciary

Paige Edwards

Criminal Procedure & Practice Subcommittee

On Tuesday, the **Criminal Procedure & Practice Subcommittee** met to consider three bills. HB 2343 by Representative Ferguson, as amended, was rolled for two weeks. HB 2421 by Representative Kernell was rolled for three weeks. HB 2380 by Representative Curtiss was referred to the joint ad hoc committee on methamphetamines.

Constitutional Protections Subcommittee

On Tuesday, the **Constitutional Protections Subcommittee** met to consider HB 2202 by Representative Coleman. The subcommittee referred HB 2202 to the **Judiciary Committee**.

In summary, HB 2202 amends present law related to handgun carry permits. Under this bill, individuals, who are in or enter into the United States armed forces, would maintain valid handgun carry permits so long as their service continues and they are stationed outside of Tennessee. The handgun carry permits would remain effective for 60 days after these individuals return to Tennessee for honorable discharge, separation from service, or return upon reassignment. Also, this bill provides a timeframe for these individuals to renew their handgun carry permits after they return to Tennessee.

Judicial Administration Subcommittee

The **Judicial Administration Subcommittee** was cancelled on Tuesday. All of the bills on the calendar were rolled for one week which include HB 2170 by Representative Turner (Davidson), HB 2277 by Representative Coleman, HB 2290 by Representative Coleman, HB 2199 by Representative Sontany, and HB 2366 by Representative Bowers.

Civil Procedure & Practice Subcommittee

The **Civil Procedure & Practice Subcommittee** met on Wednesday to consider five bills. HB 761 by Representative Todd and HB 1004 by Representative Clem were rolled for two weeks. HB 182 was rolled for three weeks. Also, HB 1007 and HB 2592 were rolled.

The Full Committee

On Wednesday, the **Judiciary Committee** met to consider two bills. HB 1834 by Representative Bunch was rolled for two weeks. HB 1147 by Representative John DeBerry was taken off notice.

The committee heard a presentation from Ms. Sue Jamieson, who has represented individuals affected by the Americans with Disabilities Act (ADA). Ms. Jamieson provided insight into the Supreme Court case, Olmstead v. L.C., 527 U.S. 581, 119 S.Ct. 2176 (1999). In Olmstead, The Supreme Court determined that community placement should be provided for qualified disabled individuals instead of institutionalization in order to prevent discrimination under Title II of the ADA. Community placement should occur when the state's treatment professionals have determined that community placement is appropriate, the transfer from institutional care to a less restrictive setting is not opposed by the affected individual, and the placement can be reasonably accommodated, taking into account the resources available to the State and the needs of others with mental disabilities. In essence, this case provides guidance for accommodating disabled individuals who are in the state's care. Ms. Jamieson emphasized that states need to follow Olmstead in order to prevent discrimination of disabled individuals who are protected under the ADA.

State & Local Government

Lawrence Hall, Jr.

This week in the **State and Local Government** full committee the Board of Directors for the Tennessee Education Lottery Corporation were confirmed and the resolutions were passed over to the Calendar and Rules Committee. The members confirmed by the full committee were:

- Dennis C. Bottorff
- Morris H. Fair
- James L.E. Hill
- Marvell R. Mitchell
- James H. Ripley
- Deborah E. Story
- Claire Whitfield Tucker

State Government Subcommittee

State Government Subcommittee passed one bill to full committee, **HB 2386**, by Rep. Curtiss. This bill will increase the maximum employee suggestion award from \$6,000 to \$10,000.

Local Government Subcommittee

Local Government Subcommittee considered five bills and moved three on to full committee. **HB 2272**, by Rep. Shaw, will allow a full-time employee of local government, a public housing authority, or a 501(c)(3) entity to serve as a member of the Tennessee Housing Development Agency (THDA). **HB 2705**, by Rep. Ferguson, grants to the Tennessee Constable Commission the same authority as the Tennessee Constable Association. **HB 2402**, by Rep. Mumpower, reinstates the office of Constable and grants law enforcement powers to the Constable in Johnson County.

Elections Subcommittee did not meet this week.

Transportation

Greg E. Adkins

Full Committee

The full **Transportation Committee** met on Wednesday, February 4, 2004, and considered three bills. **HB 1838** by Rep. Bunch passed to FW&M; the bill authorizes a special license plate for the "Supporters of the Traditional Music Center." **HB 2142** by Rep. Head passed to the C&R committee; the bill authorizes the Commissioner of TDOT to enter into an agreement with the U.S. Federal government concerning the right-of-way for U.S. 79. **HB 2159** by Rep. McDaniel passed to the FW&M committee; the bill authorizes the "Lofton Eugene Gateley Memorial Highway" road sign.

Public Safety & Rural Roads Subcommittee

The **Public Safety & Rural Roads Subcommittee** met on Tuesday, February 3, 2004, and considered two bills. **HB 2805** by Rep. Hagood passed to full committee. The bill would require cultural and specialty earmarked license plates to be issued administratively by the Department of Safety, instead of by specific legislative enactment. The plates cannot be issued if the Commissioner determines they are obscene, duplicative,

or interfere with motor vehicle enforcement. **HB 557** by Rep. Jones (Shelby) was rolled for four weeks.

Public Transportation & Highways Subcommittee

The Public Transportation & Highways

Subcommittee met on Wednesday, February 4, 2004 and considered nine bills. The following special license plate bills passed to full committee:

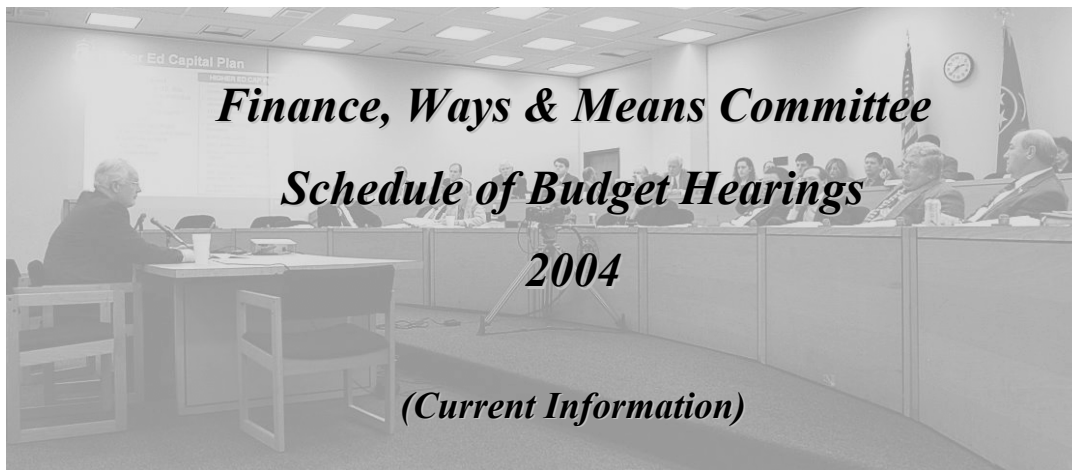
1. **HB 2596** by Rep. Curtiss--"Handicapped Veteran" special license plate. (Handicapped is defined as 10%-90% disabled for the purpose of this bill)
2. **HB 2342** by Rep. Ferguson--"Shriners" special license plate.

The following highway sign bills passed to the full committee:

1. **HJR 625** by Rep. DuBois--"Purple Heart Highway" sign on a portion of U.S. Highway 43 in Maury County.
2. **HB 2214** by Rep. DuBois--"Admiral Fran McKee Memorial Bridge" sign on the Duck River along U.S. Highway 43 in Maury County.
3. **HB 2187** by Rep. McKee--"Arvil Armstrong Memorial Bridge" sign on U.S. Highway 411 in McMinn County.
4. **HB 2256** by Rep. Curtiss--"Veterans Memorial Highway" sign on U.S. Highway 70 in White County.
5. **HB 2596** by Rep. Winningham--"Big South Fork Parkway" sign on S.R. 63 in Scott and Campbell Counties.

HB 2431 by Rep. Yokley was rolled to the last committee calendar of the year. **HB 2269** by Rep. Turner (Davidson) was rolled three weeks.

**On the back of this
Research Review is the
Budget Hearings Schedule.**



Finance, Ways & Means Committee Schedule of Budget Hearings

2004

(Current Information)

ALL MEETINGS IN ROOM 16

WEDNESDAY, FEBRUARY 4TH, 1:30 p.m.

Budget Overview
Comptroller of the Treasury
Personnel
General Services

TUESDAY, FEBRUARY 10TH, 1:30 p.m.

Financial Institutions
Attorney General and Reporter

WEDNESDAY, FEBRUARY 11TH, 1:30 p.m.

Economic & Community Development
Agriculture
Tennessee Housing Development Agency
Tourist Development

THURSDAY, FEBRUARY 12TH, 11:00 a.m. or after session

Correction
Probation & Parole

TUESDAY, FEBRUARY 17TH, 1:30 p.m.

Veteran Affairs
Revenue

WEDNESDAY, FEBRUARY 18TH, 1:30 p.m.

Safety
Tennessee Bureau of Investigation
Military
Homeland Security

THURSDAY, FEBRUARY 19TH, 11:00 a.m. or after session

Administrative Office of the Courts
Post Conviction Defenders
District Attorneys General
Public Defenders

TUESDAY, FEBRUARY 24TH, 1:30 p.m.

Treasury

WEDNESDAY, FEBRUARY 25TH, 1:30 p.m.

Education K-12
State Board of Education

THURSDAY, FEBRUARY 26TH, 11:00 a.m. or after session

Tennessee Higher Education Commission
The University of Tennessee
Tennessee Board of Regents
Tennessee Student Assistance Corporation

TUESDAY, MARCH 2ND, 1:30 p.m.

Secretary of State

WEDNESDAY, MARCH 3RD, 1:30 p.m.

Labor & Workforce Development
Commerce & Insurance
Environment & Conservation
Tennessee Wildlife Resources Agency

THURSDAY, MARCH 4TH, 11:00 a.m. or after session

Health
Human Services
Children's Services

TUESDAY, MARCH 9TH, 1:30 p.m.

Finance & Administration

WEDNESDAY, MARCH 10TH, 1:30 p.m.

Commission on Aging
TennCare
Commerce & Insurance, TennCare Oversight
Mental Health & Developmental Disabilities
Finance and Administration Health Services

THURSDAY, MARCH 11TH, 11:00 a.m. or after session

Transportation